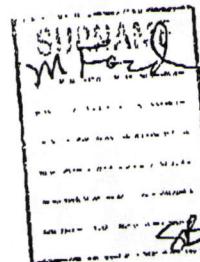


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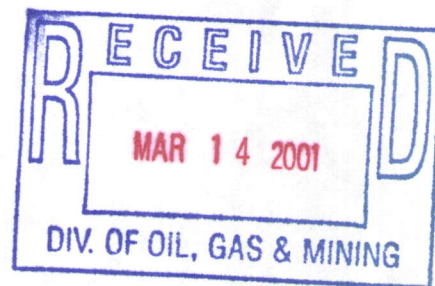
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Return Receipt Requested

Mr. William Moeller  
Clifton Mining Company  
70 West Canyon Crest Road, Suite D  
Alpine, Utah 84004



Dear Mr. Moeller:

On April 27, 1999 we approved your Plan of Operations (Plan) for milling activities on your Cactus millsite located in T. 7 S., R. 18 W., Section 35. On May 26, 1999 you appealed our decision, with a "statement of reasons" why Stipulations #1-3, 6, 9, 10, 12, 14, 15, 17, 18, 19 and 23 should not be incorporated into your Plan. On July 22, 1999, after a review of your appeal by the Utah State Director, Stipulations #1-3, 6, 9, 10, 12, 14, 17, 19 and 23 were remanded to the Salt Lake Field Office (SLFO) so that additional information could be obtained from Clifton Mining Company (CMC) to complete your Plan. Stipulations #15 and 18 were affirmed by the State Director and will remain a part of your Plan. CMC did not appeal Stipulations #4, 5, 7, 8, 11, 13, 16, 20-22 and 24-28 in the original Plan approval, nor did CMC appeal the Decision from the State Director's review of your appeal to the Interior Board of Land Appeals. We must therefore presume that CMC is satisfied with the State Director review.

On October 25, 1999 the SLFO requested that CMC provide additional information to address the stipulations that were remanded. As a response, CMC has withdrawn their proposal to use mine tailings for reclamation (Stipulation #6), submitted a diagram for a fuel containment berm (Stipulation #14), provided sufficient information to alleviate our concerns about Acid Rock Drainage (Stipulations #1-3) and issues related to the water balance of the millsite (Stipulation #10 and #12), issues related to the presence of sulfide minerals in the ore (Stipulation #19), and has provided sufficient information so that the occupancy of the Cactus millsite can be evaluated as a separate issue under Surface Management regulations at 43 CFR 3715 (Stipulation #23). In addition, the State Director modified the language for Stipulation #9 related to the storage of chemicals at the millsite.

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Your plan is hereby approved, subject to the following stipulations and modifications:

1. To reduce surface/vegetation disturbance, access to and from the millsite shall be confined to existing routes of travel. No other routes of travel are authorized.
2. The operator is required to obtain all necessary permits from the Utah Department of Oil, Gas and Mining, the Department of Water Quality, or any other pertinent local, county, State of Utah agencies prior to the continuation of operations on the subject millsite.
3. No new surface disturbance is authorized on the subject millsite without the submittal of a new Plan of Operations or Plan amendment.
4. The operator must obtain authorization from the appropriate Tooele County agency(s) for the storage and use of chemicals listed in the Plan of Operations. In addition, this authorization (and associated documentation) must be made available for inspection at the millsite at all times.
5. The operator is required to store all chemicals to be used at the millsite in accordance with the individual Material Safety Data Sheets for those chemicals. In addition, mill chemicals should be stored in the mill or storage buildings located adjacent to the mill. Unmarked barrels containing unknown substances must be sampled, correctly labeled and stored or disposed of properly.
6. The operator is required to stockpile and store any available topsoil for final reclamation. If no topsoil has been stockpiled, the operator is required to import topsoil from offsite for final reclamation. At the end of the project, all disturbed areas shall be recontoured and covered with the stockpiled or imported topsoil, then reseeded with an appropriate mixture of native (live) plant species according to BLM specifications. After site rehabilitation, all perimeter fencing material shall be removed by the operator at his expense.
7. Any fill or other soil material required for on-site road maintenance and repair must be taken from areas of previous surface disturbance within the boundary of the subject millsite.
8. All hazardous wastes created during the course of normal operations must be removed from the millsite area immediately and disposed of properly. No hazardous material may be left on the subject millsite after operations have ceased.
9. In order to mitigate any impacts of the proposed operation on cultural resources, the operator is not authorized to destroy, disturb, or modify in any way, the existing historic structures on the millsite without first obtaining the services of an archaeologist to evaluate the site and having him/her make a determination as to the site's suitability for nomination to the National Register of Historic Places.
10. Plan approval is subject to the operator's submittal to the BLM of copies of all permits obtained from the State of Utah's Department of Environmental Quality and Division of Water Quality

based on the size and scale of the subject authorized milling operation. Copies of these permits must be received by the BLM prior to the onset of any milling operations on the site.

11. The operator is required to provide to the Salt Lake Field Office, prior to the onset of milling operations, copies of all Material Safety Data Sheets for all of the chemicals proposed for use during milling operations.
12. Practice good housekeeping measures, maintaining the area free of trash and debris. Store trash in proper containers and periodically haul it to an authorized landfill site, not on public land.
13. If cultural or paleontological resources are discovered during the course of milling operations, all work at the point of discovery will cease and the Salt Lake Field Manager will be notified. Surface disturbance within 100 feet of the point of discovery is not authorized until a written notice to proceed is received by the operator from the Salt Lake Field Manager.
14. All storage of equipment, supplies, materials, ore or any residue of the milling operation will be accomplished in a manner which minimizes surface disturbance.
15. All operators shall maintain the site, structures and other facilities of the operation in a safe and clean condition during any non-operating periods. The operator will be required, after an extended period of non-operation for other than seasonal operations, to remove all structures, equipment or other facilities and reclaim the site of operations, unless he/she receives permission, in writing from the authorized officer to do otherwise. For the purposes of 43 CFR 3809.3-7, an extended period of non-operation is considered to be one year.
16. Written notification will be provided to the BLM within 30 days of completion of operations and reclamation by the operator.
17. The operator must comply with all county, state and federal standards and regulations.
18. Any proposed activity not authorized by this Plan of Operations shall not proceed without prior approval of a plan amendment by this office.

This authorization is subject to the operator submitting an appropriate reclamation bond to the Utah Division of Oil, Gas and Mining (UDOGM) to assure that the area is satisfactorily reclaimed at the conclusion of operations. Please be advised that no additional milling activities may occur on the Cactus millsite without first providing UDOGM with a reclamation bond in an amount which satisfies the requirements of that agency.

An appeal from this decision may be taken to the State Director, Utah State Office, BLM, in accordance with the provisions in Title 43 of the Code of Federal Regulations (CFR) Subpart 3809.4. If an appeal is taken, the notice of appeal must be filed in this office at 2370 South, 2300 West, Salt Lake City, Utah, 84119 within thirty (30) days from receipt of this decision.

Do not send the notice of appeal to the State Director. The appeal and the case history will be sent to the State Director from this office. The appeal to the State Director must contain: 1) the name and mailing address of the appellant; 2) when applicable, the name of the millsites and serial number(s) assigned to the millsites recorded pursuant to Section 3833 of this title which are subject to appeal; and 3) a statement of reasons for appeal and any arguments the appellant wishes to present which would justify reversal or modification of the decision. To avoid summary dismissal of the appeal, there must be strict compliance with the regulations.

During the appeal to the State Director, all decisions from which the appeal is taken shall be effective during the pendency of the appeal.

If no appeal is taken, this decision constitutes final administrative action of this Department, as it affects the millsite(s). No appeal, protest, or petition for reconsideration will be entertained from this decision after the appeal period has expired.

If you have any questions, or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Sincerely,

**/S/ MICHAEL G. NELSON**

Glenn A. Carpenter  
Field Office Manager

cc: D. Wayne Hedberg  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801